



# Department of Justice

FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL BY A GROUP OF  
PHYSICIANS IN VERMONT TO FORM A JOINT VENTURE**

WASHINGTON, D.C. -- The Department of Justice said today that it would not challenge a proposal by a group of physicians from various medical specialties in the Rutland, Vermont area to join together to offer their services as a group to third-party payers.

The Department said that the proposed activities of the Vermont Physicians Clinic are not likely to lessen competition substantially in physician services in the Rutland area.

Under the proposal, approximately 40 physicians from multiple specialties in the Rutland, Vermont area would operate a joint venture known as the Vermont Physicians Clinic. The Clinic will negotiate risk contracts with third-party payers, provide utilization review, quality improvement and administrative services to produce significant efficiencies that would benefit third-party payers and their subscribers.

The joint venture is to include no more than 30 percent of the physicians in most physician specialties in the Rutland area. In those specialties in which the Vermont Physicians Clinic will include more than 30 percent of the physicians, the Department concluded the venture was not likely to lessen competition substantially.

The Department said that managed care plans and other third-party payers had expressed no concern that Vermont Physicians Clinic would cause substantial anticompetitive effects, but were enthusiastic at the prospect of a joint venture because they believe that the Clinic will provide competition to the managed care panel of physicians formed by the only hospital in the Rutland area.

The Department said that it would be concerned if a significant number of the physicians in the Vermont Physicians Clinic terminated their existing contracts with third-party payers or refused to negotiate individually with them in the future. The Clinic has stated that this is not the intention of participating physicians.

The Department's position was stated in a business review letter issued by Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Suite 215 Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for

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their exclusion for reasons of confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure.

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